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**GUALIA (U.S.A.) LTD.**



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7 August 1991

Mr. John Rainsford, Jr.  
P.O. Box 486  
McCormick, South Carolina 29835

Dear Mr. Rainsford,

The purpose of this letter is to follow up our recent telephone conversation concerning the lien notices filed in McCormick County, S.C., on the properties you have leased to Gwalia (U.S.A.) Ltd. We certainly appreciate your confidence in Gwalia's intent and ability to take appropriate action toward these liens and your willingness not to require Gwalia to provide alternative collateral, at the present time.

As I indicated to you, we certainly do not intend to let these filings jeopardize either your or Gwalia's interest in the leased properties and I will provide you with periodic reports on their status.

Again, I thank you for working with Gwalia (U.S.A.) Ltd. and please let me know if you have any further concerns regarding the above.

Sincerely,

Shanler D. Cronk  
Chief Counsel

SDC/pm

